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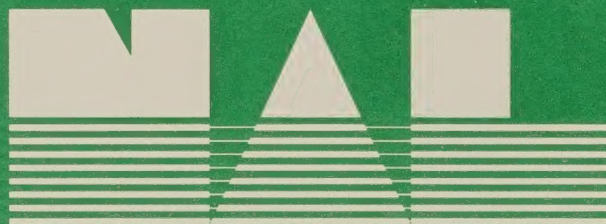
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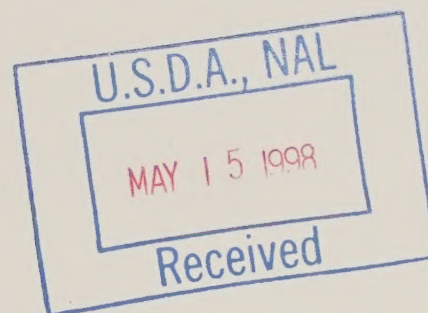
Farmers' Markets Survey Report

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Farmers' Markets Survey Report

United States Department of Agriculture
Agricultural Marketing Service
Transportation and Marketing Division
Wholesale and Alternative Markets Program

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July 1996

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Farmers' Markets Survey Report

Executive Summary

The Agricultural Marketing Service, Wholesale and Alternative Markets Program, compiled a National Directory of Farmers' Markets in 1994 and again in 1996. The 1996 directory showed a 20-percent increase--from 1,755 markets to more than 2,400. These statistics are based only on those markets listed as active by State departments of agriculture. Some estimates indicate that if locally formed markets were included the number of farmers' markets would double.

National fruit and vegetable sales through direct marketing have been estimated at \$1.1 billion or more in the last couple of years, providing essential income to small and medium-sized farmers. More than a million customers visit these markets every week. Direct markets provide access to fresh fruit and vegetables for consumers--especially minority consumers in the inner city--who would otherwise not be able to get fresh produce. Moreover, independent research confirms inner city consumers pay from 30-35 percent more for lower quality food than suburban consumers.¹

Farmers' markets play a vital role in enabling small to medium-sized growers to gain access to consumers. Without this access, the existence of many small-sized growers would be threatened. Farmers' markets provide a unique experience for both farmers and consumers. Farmers sell their products directly to consumers, enabling them to stay in business or increase profit margins. The scarcity of supermarkets in the inner city makes farmers' markets one of the few places these residents can buy fresh fruit and vegetables. Consumers shop in a pleasant environment and get the chance to meet the people who grow their food. Documented growth in farmers' markets over the last decade seems to indicate that this symbiotic relationship fills a marketing void.

In September 1994, the U.S. Department of Agriculture sent 1,755 surveys to farmers' markets across the United States, 805 of which were returned. These markets were identified as active by State departments of agriculture. After reviewing the returned surveys, it was determined that only the 772 responses that applied to direct marketing would be included in the analysis. Highlights of the survey results follow:

- 20,496 farmers use farmers' markets to sell directly to consumers.
- 6,648 farmers are reported to use farmers' markets as their sole marketing outlet.

¹ New York City Department of Consumer Affairs, *"The Poor Pay More for Less,"* 1991

- Farmers' market managers report a total of 915,774 customer visits per week.
- The survey validates previous studies that estimated direct marketing sales (grower to consumer) as over \$1 billion nationally.

Background

The term "farmers' market" has been used to describe several different types of facilities. For the purpose of this report, farmers' market is defined as a common facility or area where several farmers/growers gather on a regular, recurring basis to sell a variety of fresh fruits and vegetables and other farm products directly to consumers. Farmers' markets give consumers direct access to fresh fruits and vegetables and other farm products and provide small-sized farmers with a sales outlet for their production. Although a wide diversity of customers buy at farmers' markets, in many cases, the consumers come from low-income areas that would not otherwise have access to fresh, nutritious produce. Farmers' markets are only one method of direct marketing available to the small- and medium-sized grower. Other methods of direct marketing, such as roadside stands and pick-your-own operations, also encourage consumers to buy directly from growers.

Direct-sales markets provide many small- and medium-sized farmers their only access to consumers. Smaller farmers have been closed out of mass markets by their inability to invest in systems to get products "market ready." Many medium-sized farmers use farmers' markets to supplement their incomes and increase cash flow. Research shows the additional income from sales at farmers' markets is sometimes the factor that enables medium-sized growers to farm profitably. Dr. Edward W. McLaughlin of Cornell University estimates that, in 1993, national sales of fruit and vegetables through direct marketing channels totaled \$1.1 billion.²

The U.S. Department of Agriculture (USDA) publication, *1996 National Farmers' Market Directory*,³ lists 2,410 farmers' markets operating in the United States. This number represents only those markets listed as active by State departments of agriculture and does not include the smaller markets generally formed locally by informal agricultural groups, public service organizations, or churches. Some estimates indicate that, if locally formed farmers' markets were included, the number of farmers' markets would double.

A 1994 article in the *New York Times*⁴ cites the growth and effects of farmers' markets in urban areas. "Across the country, community groups, ecology-awareness associations, private

² McLaughlin, Edward W., Perosio, Debra J., *Fresh Fruit and Vegetable Procurement Dynamics*, 1993.

³ Bragg, Johnson and Lewis, *1996 National Farmers' Market Directory*, U.S. Department of Agriculture, Agricultural Marketing Service, May 1996.

⁴ O'Neill, Molly, *A City's Dreams Go to Market*, New York Times, May 17, 1994.

developers, and city governments are raising the flag for urban farmers' markets . . . There were less than 100 twenty years ago. Many, like the [farmers' market at] Pike's Place Market in Seattle, grew from the ashes of longstanding markets and brought new life to downtrodden areas. Others, like the farmers' market in Ann Arbor, Michigan, were created in tenuous areas and became beacons for neighborhood renewal."

The rural/urban linkage also benefits rural areas close to the cities. A recent study commissioned for the Dane County Farmers' Market in Madison, WI, estimates that the market contributed nearly \$5 million to the local farm economy. At the smaller Santa Fe, NM, market, management estimates the contribution to the surrounding farming area at three-quarters of a million dollars.⁵ Operators estimate the "Greenmarkets" in New York City generate more than \$20 million in sales to regional growers.⁶

Introduction

USDA's *National Farmers' Market Directories* are an interim product of a long-range study to collect and analyze data on farmers' markets. These studies will help USDA develop a statistical and practical repository of information that can help States and localities operate farmers' markets more efficiently. Many States are only now realizing the importance of these markets to small- and medium-sized farmers and rural economic development. Growing interest by both growers and consumers in frequenting farmers' markets is increasing the need for more information.

This report indicates how many farmers rely on farmers' markets to sell their produce, and how for many of these farmers, farmers' markets are their only sales vehicle. USDA developed and mailed a survey to managers of the markets listed in the 1994 Directory. Of particular interest were the number of participating farmers, the number of sales days on a national basis, and the distance both consumers and farmers traveled to the markets. Included in the survey were questions suggested by those actively involved in market management and questions on participation in the Women, Infants and Children (WIC) Farmers' Market Nutrition program, participation of tourists, and identification of various market rules that affect grower participation.

During September 1994, 1,755 surveys were mailed to farmers' markets listed in the 1994 directory. Market managers completed and returned 805 surveys, a response rate of 45.9 percent (78 were returned as undeliverable). Respondents gave generalized information about the operations and participation in their markets. Not all respondents answered all the survey questions.

⁵ Estimated by Pam Roy, Market Manager, Santa Fe, NM, Farmers' Market.

⁶ Estimated by Barry Benepe, director, Greenmarket, a project of the New York City Council on the Environment.

The major goal of the survey was to measure farmer and consumer participation at those farmers' markets that mainly engage in direct sales. Some larger markets using the name "farmers' market" have significant wholesale operations. In order to eliminate those purely wholesale transactions at combined wholesale/direct markets, and to capture some commercial activities at what are traditionally retail markets (e.g., a restaurateur buying produce), criteria were established. Markets with permanent physical wholesale facilities, as listed in the 1995 *Greenbook*,⁷ were re-surveyed by telephone to verify information on retail direct sales. The raw data from the 805 responses showed over 40,000 farmers using the markets. Telephone surveys of combined wholesale/direct markets indicated that the number of farmers engaged in direct sales actually was just over 24,000. A second filtering process screened out markets where the demarcation between wholesale and direct sales was not clear. Responses from those markets were not used to ensure that only direct-to-consumer marketing was analyzed. This resulted in 772 responses relating to direct sales only, with a reported 20,496 farmers in this category.

Beneficiaries of Farmers' Markets

In addition to serving small- and medium-sized farmers and benefiting consumers, farmers' markets provide other wide-ranging benefits. They also provide a sales outlet for nonperishable products such as honey, baked products, and jams. Therefore, in small communities, they may encourage the development of new businesses. Consumers also indicate they enjoy their shopping experience at farmers' markets. When in under-served inner-city communities, farmers' markets provide fresh fruit and vegetables at reasonable prices--produce that might not otherwise be available. Farmers' markets also benefit:

- Communities - Successful farmers' markets provide employment at the markets and may also serve as a platform for adjacent economic development.
- Local Governments - Increased economic activities from successful farmers' markets also benefit local governments by generating tax revenue from retail sales, licenses, property taxes, and employment revenues.
- Economic Development Agencies - Farmers' markets attract consumers to areas where economic activity has been curtailed, or sometimes, may not exist; e.g., downtown areas on the weekends. This enables neighboring businesses to attract additional customers.
- Nutrition Programs - Farmers' markets provide participants in the Food Stamp Program and the Women, Infants, and Children (WIC) Farmers' Market Nutrition Program a convenient place to buy healthful, fresh foods.

General Information About the Markets

Data collected from the survey was classified based on the number of farmers served at individual markets. Responses are reported in the following categories: markets serving 1-9 farmers, markets serving 10-19 farmers, markets serving 20-49 farmers, markets serving 50-99

⁷ Bragg and Holley, 1995 *Greenbook*, U. S. Department of Agriculture and the National Association of Produce Market Managers, 1995. (A wholesale produce market information directory)

farmers, markets serving 100-500 farmers, and markets serving more than 500 farmers. The objective was to develop categories that would have a reasonable number of responses and not prejudice data in smaller categories. In the smaller market categories, particular interest was paid to keeping a fairly even distribution for comparison purposes.

Tables show the number of responses to a particular question and the number of farmers served at the markets. This is a national survey and does not account for regional differences.

The 772 survey respondents report they serve 20,496 individual farmers. A total of 453 respondents reported that 6,648 farmers use farmers' markets as their only sales outlets. Overall, 57.7 percent of markets responded to the sole outlet question. Representing 13,473 farmers, this indicated that almost half the farmers are using farmers' markets as their sole outlet (Table 1).

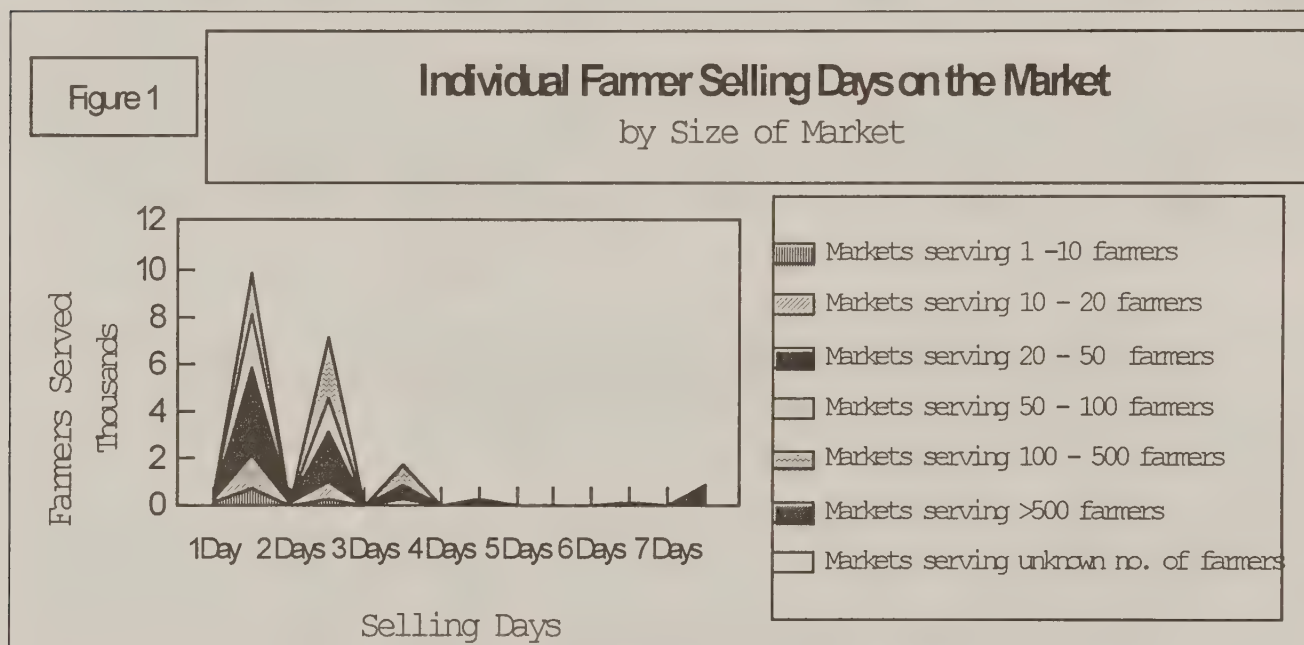
Table 1 - Number of Farmers Served and Farmers Using Farmers' Markets as Sole Outlet						
Size of Market by number of farmers served	Number of Farmers Served				Sole Outlet	
	Markets	% of markets responding	Farmers served	% of farmers served	Markets Responding	Number of Farmers
Markets serving 1 - 9 farmers	184	23.83	1,036	5.05	97	329
Markets serving 10 - 19 farmers	206	26.68	2,691	13.13	136	948
Markets serving 20 - 49 farmers	232	30.05	6,632	32.36	150	2,075
Markets serving 50 - 99 farmers	67	8.68	4,230	20.64	46	1,473
Markets serving 100 - 500 farmers	35	4.53	5,107	24.92	20	1,510
Markets serving > 500 farmers	1	0.13	800	3.90	1	249
Markets serving unknown no. of farmers	47	6.09	0	0.00	3	64
Total	772	100.00	20,496	100.00	453	6,648

Markets open all year totaled 105. Twenty-one of these are in California, where production is year-round and growers have a continuous supply of product. Iowa reports 10 markets operating year-round. In New York City, some of the Greenmarkets are open year-round. Items sold at city markets during the winter include fruit and vegetables with long storage lives, hydroponic produce, cheeses, ornamentals, Christmas trees, wines, herbal vinegars, eggs, meat, and poultry. It is important to note that even during non-production periods, the Greenmarkets maintain the rules about farm-produced items (see "Grower Restrictions and Regulations" p.16). Seasonal markets generally are open during the harvest months of May through October and are held in open or temporary structures.

Table 2 No. of days per week open	
Days	Respondents
1	433
2	220
3	61
4	20
5	9
6	8
7	6

A total of 714 responding markets (94.3 percent) are open 3 or fewer days a week (Table 2). This is fairly well distributed throughout all size markets.

In a corollary question concerning the number of farmer selling days, the larger markets have more farmers participating 2 or more days a week than the smaller markets. (Figure 1).

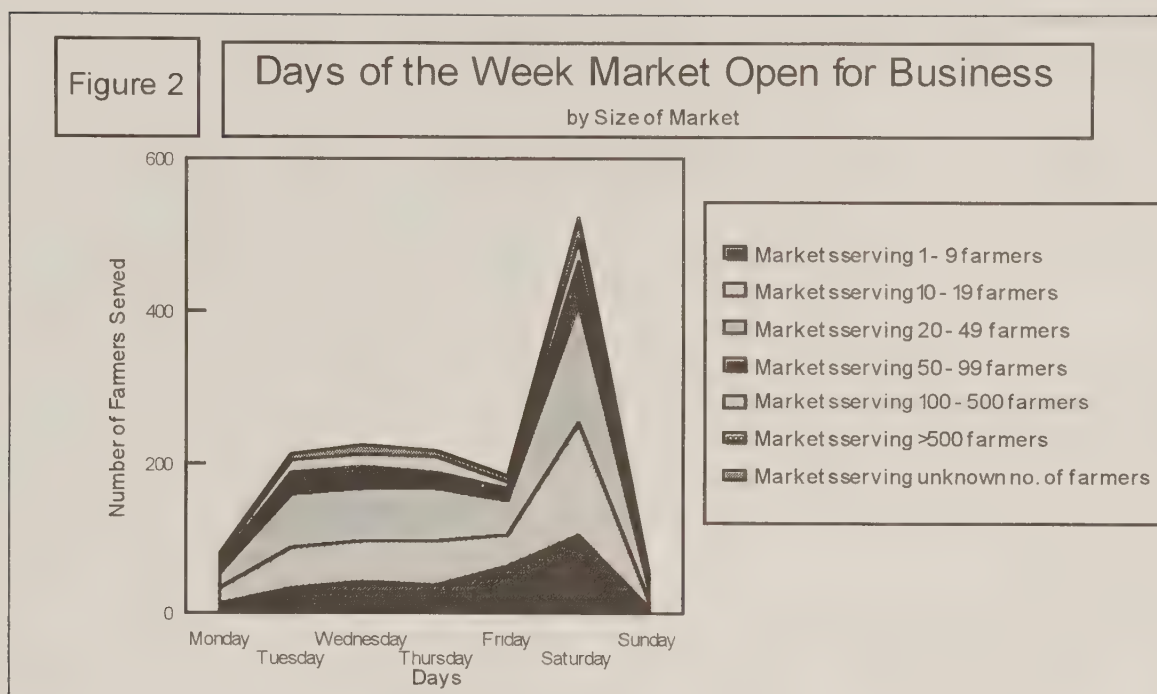


Markets open 7 days a week generally are connected with another function, such as wholesaling, which creates a center of activity during the entire week. Permanent vendors and a broader array of agricultural products, such as ornamentals and cut flowers, attract consumers to these markets mid-week.

Farmers' markets are also active mid-week, when approximately 25 percent of the survey respondents report being open. A few more markets are open on Wednesday than on Tuesday, Thursday, or Friday (Table 3). Although most markets are open on Saturday (547 responses), there is a solid indication that markets can be very active mid-week in all size classifications (Figure 2).

Table 3
Days of the week markets are open

Days	Respondents
Monday	80
Tuesday	212
Wednesday	221
Thursday	215
Friday	181
Saturday	521
Sunday	56



Operations

The total number of acres committed to farmers' markets for the reporting group, 489 markets, is 5,803 acres. Markets serving 10-19 farmers are the largest group, having facilities on 2,613 acres, followed by markets serving 100-500 farmers, 1,423 acres, and those serving 20-49 farmers, 1,071 acres (Table 4).

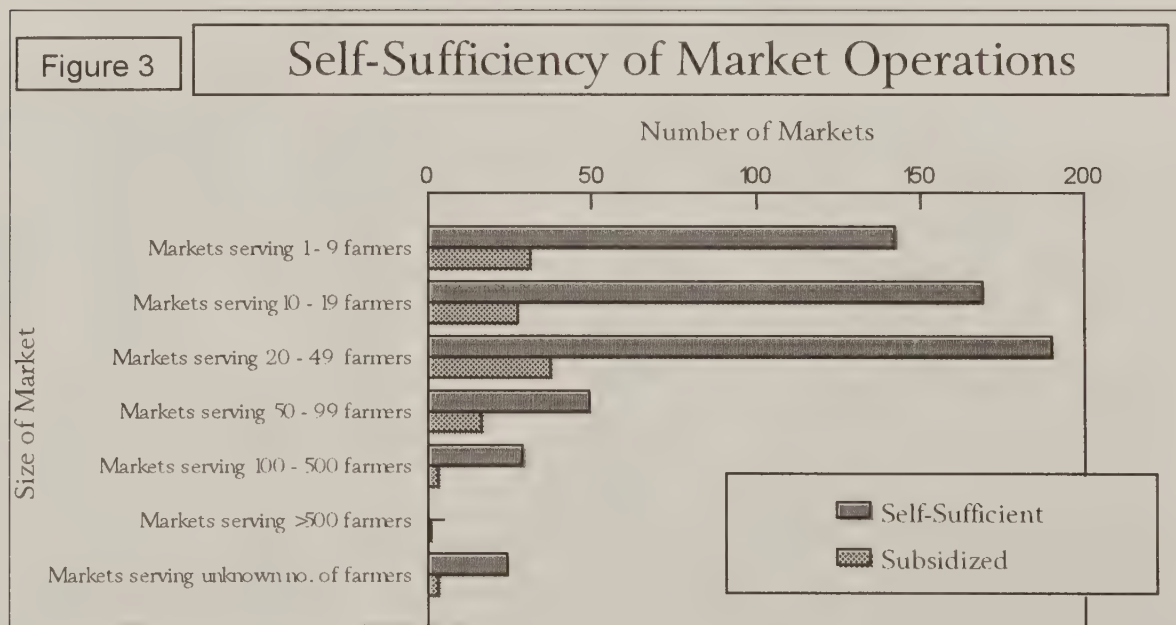
Table 4 - Number of Acres on Site			
Size of market, by number of farmers served	Responses		
	Total acres on site	Number of markets	Farmers served
Markets serving 1 - 9 farmers	354	116	624
Markets serving 10 - 19 farmers	2,613	132	1,722
Markets serving 20 - 49 farmers	1,071	154	4,446
Markets serving 50 - 99 farmers	116	48	3,071
Markets serving 100 - 500 farmers	1,423	24	3,289
Markets serving >500 farmers	75	1	800
Markets serving unknown no. of farmers	151	14	0
Total	5,803	489	13,952

Five hundred and fifty-three (553) markets reported total selling space of 7,786,489 square feet (sf) (Table 5). Markets serving 20-49 farmers have the most selling space (2,417,423 sf), which includes both open and under-roof footage. Selling space on the markets approximately correlates with the reported number of farmers served on a seasonal basis. Of the

total selling space, 80.6 percent is reported to be open (6,278,805 sf) and the balance (1,507,684 sf) is under-roof. Open space dominates all categories except for the largest, > 500 farmers served.

Table 5 - Selling Space on the Market					
Size of market, by number of farmers served	Responses				
	Selling Space			Responding	
	Open sq. feet	Under-roof sq. feet	Calculated total sq. feet	Number markets	Farmers served
Markets serving 1 - 9 farmers	740,009	145,797	885,806	139	800
Markets serving 10 - 19 farmers	1,641,049	273,036	1,914,085	148	1,927
Markets serving 20 - 49 farmers	2,035,775	381,648	2,417,423	177	5,073
Markets serving 50 - 99 farmers	755,988	20,184	776,172	47	3,045
Markets serving 100 - 500 farmers	959,084	317,419	1,276,503	25	3,596
Markets serving > 500 farmers	100,000	209,000	309,000	1	800
Markets serving unknown no. of farmers	46,900	160,600	207,500	16	0
Total	6,278,805	1,507,684	7,786,489	553	15,241

Of the 721 respondents, 627 (83.6 percent) indicate that market operations are self-sustaining. The balance, 128, report they receive some sort of subsidy (Figure 3). There is no correlation between self-sustaining markets and the type of facility (open, permanent, or combined). Some of the most successful markets--Greenmarkets in New York City, Dane County Farmers' Market, and Santa Fe Farmers' Market--are all open space. It is generally accepted that markets will not return capital construction cost and that open space reduces start-up investment.



Marketing Dynamics

Several site-specific studies indicate the primary reason consumers shop at farmers' markets is the availability of farm-fresh fruit and vegetables. Secondary responses generally cite individual fruit and vegetables and, when combined with the general fruit and vegetable response, dominate the responses as to why consumers shop at farmers' markets. These studies also indicate that ambiance, or a similar response indicating a pleasant shopping experience, rates second. Pricing rates low as a reason consumers shop at farmers' markets.

The 627 responding market managers report a total of 915,774 customers visit their markets weekly (Table 6). Markets that serve 20-500 farmers (inclusive) claim the largest share (80.9 percent) of the responding markets surveyed, with 741,216 weekly customer visits. The overall response to this question included 81.2 percent of responding markets, representing 86.7 percent of farmers served. The previously cited Dane County Farmers' Market study estimates that 505,101 people shopped at the market in 1993.

Table 6 - Estimated Customers Per Week			
Size of market by number of farmers served	Responses		
	Customers	Markets	Farmers
Markets serving 1 -10 farmers	67,590	155	894
Markets serving 10 - 20 farmers	76,158	170	2,228
Markets serving 20 - 50 farmers	278,665	194	5,577
Markets serving 50 - 100 farmers	304,701	55	3,480
Markets serving 100 - 500 farmers	157,850	32	4,780
Markets serving > 500 farmers	11,000	1	800
Markets serving unknown no. of farmers	19,810	20	0
Total	915,774	627	17,759

The Dane County Farmers' Market survey results also indicate the distance consumers traveled to the market. A total of 71.8 percent of those surveyed said they live within 10 miles of the market. It was reported in the *Toledo Fresh Food Public Market*⁸ report that "...about 75 percent of Toledo Farmers' Market customers live within 6 miles of the market; half the customers live within 4 miles. The survey supports a 1991 intercept survey that showed 90 percent lived within 7 miles of the market." Congestion in an area (e.g., Greenmarkets in New York City) and available parking at the market can affect the distance consumers are willing to travel.

⁸ Seyfang Bolanchard Duket Porter and the Public Market Collaborative, *Toledo Fresh Food Public Market, A Feasibility Study for Toledo City Parks*, U.S. Department of Agriculture, Agricultural Marketing Service, December 1993, p. 9.

This survey verifies that travel distance, the trading area for attracting consumers, is fairly defined. Of 754 responses, 533 market managers (73.0 percent) report that travel distance for consumers is less than 10 miles (Table 7). The data indicate that travel distances increase as the markets get larger, but even the largest markets indicate the majority of their customers travel fewer than 10 miles. As indicated in Table 9, markets serving 50-99 farmers attract 66.2 percent of their customers from within the 10-mile trading area, and markets serving 100-500 farmers attract 54.5 percent. The response included 94.6 percent of responding markets, representing 96.9 percent of farmers served.

Table 7 - Estimated Distance Customers Travel to Shop						
Size of market by number of farmers served	Responses					
	Miles traveled				Responding	
	0-10	11-20	21-50	>51	Markets	Farmers
Markets serving 1 - 9 farmers	145	28	4	2	179	1,013
Markets serving 10 - 19 farmers	147	39	12	2	200	2,614
Markets serving 20 - 49 farmers	160	54	10	1	225	6,439
Markets serving 50 - 99 farmers	43	17	4	1	65	4,108
Markets serving 100 - 500 farmers	18	11	3	1	33	4,877
Markets serving > 500 farmers	0	1	0	0	1	800
Markets serving unknown no. of farmers	20	6	1	0	27	0
Total	533	156	34	7	730	19,851

As the size of the market increases, so does the distance the farmer is willing to travel. The percentage of farmers traveling 11-50 miles (inclusive) increases as the market size increases. Markets serving 1-9 farmers report 53.6 percent of farmers drive 11-50 miles, markets serving 10-19 report 63.4 percent, markets serving 20-49 report 71.8 percent, and markets serving 50-99 report 84.1 percent (Table 8).

Table 8 - Distance Between Market and Farm						
Size of market by number of farmers served	Responses					
	Miles				Responding	
	0-10	11-20	21-50	>50	Markets	Farmers
Markets serving 1 - 9 farmers	77	73	23	6	179	1,002
Markets serving 10 - 19 farmers	72	96	32	2	202	2,635
Markets serving 20 - 49 farmers	51	107	56	13	227	6,502
Markets serving 50 - 99 farmers	6	25	28	4	63	4,002
Markets serving 100 - 500 farmers	1	15	16	1	33	4,882
Markets serving > 500 farmers	0	0	1	0	1	800
Markets serving unknown no. of farmers	11	10	2	1	24	0
Total	218	326	158	27	729	19,823

Previously cited studies also indicate that consumers visit the market within a very limited timespan. The Dane County Farmers' Market study, a market open 1 day a week, found that 50

percent of the day's traffic has passed by 10:15 a.m., and 80 percent by 11:30 a.m. This density is also reported in the Toledo study, where it was found that "Eighty percent of the customers shop on Saturday. Almost 50 percent shop between the hours 9:00 a.m. and noon."⁹ This finding, along with the limited number of stalls visited, could indicate that shoppers have a predetermined objective in shopping at the local farmers' market. Generally, operating hours reflect this concentration of activity.

Most customers purchase from six or fewer vendors. This is true even in large markets that serve many farmers. Of the 726 managers who responded, 590 (81.3 percent) said that most customers visit two to five vendors each time they shop at the market (Figure 4). This changes only slightly when the larger markets, 50 to >500 farmers served, are calculated into the mix. The fact that so few stalls are points of purchase affects the net average spent by a customer on each visit. This statistic also indicates the number of customers that must be attracted in order to serve large numbers of farmers. The limited number of customers/vendor visits becomes critical in deciding to expand a market.

About a third of the markets, 284, responded that they have a tourist promotion program. A separate study now being conducted by USDA is surveying the effectiveness of tourist



promotion programs on product sales at farmers' markets.

When asked about wholesale sales (e.g., purchases by restaurants), few managers responded. Those who did so indicated that this is still a very small percentage of sales throughout all market categories, less than 10 percent.

⁹ See footnote 7

Grower Restrictions and Regulations

Not all farmers' markets are successful, and only anecdotal information exists on why some have failed. However, two primary reasons cited for failure of particular markets are location and in-season dominance by vendors other than farmers. Farmers' markets, unlike retail stores, operate both on the supply side, with the farmers, and on the demand side, with the consumers. However, the overall retail marketing dynamic is operative. Consumers wish to have certain preconceptions met when selecting a retail site. If they are not met, the consumers will stop coming. Farmers will go to markets where they are guaranteed selling space and have exposure to enough customers to allow them to sell the majority of their product in an allotted time. When farmers have to compete for space with non-farm vendors and customer expectations are not met, both farmers and customers will look for alternative markets.

Many market managers (609) reported their markets have regulations and restrictions on who can sell and what can be sold at the markets. Two-thirds report that farmers can sell only their own crops, and 392 report that farmers could sell their own and other farmers' locally grown crops (Table 9). Other than farmers selling only their own or other local growers' crops, the restrictions most cited were:

- Farmers must be from the specific region designated by the governmental agency sponsoring the market;
- No crafters or artisans allowed during peak seasons;
- Processed foods must be made from a majority of locally grown products;
- Ornaments must be locally grown and raised by the vendor; and
- Items such as cider, honey, natural syrups, and cheeses must be produced, gathered, or processed in the local area by the vendor.

Table 9 - Regulations About Origin of Products*								
Size of market, by number of farmers	Responses Restrictions		Responses about Nature of Restrictions					
			Only own crops		Other farmers crops too		Other restrictions	
	Markets	Farmer served	Markets	Farmers served	Markets	Farmers served	Markets	Farmers served
Markets serving 1 - 9 farmers	130	737	89	522	101	552	56	329
Markets serving 10 - 19 farmers	168	2,221	117	1,565	95	1,249	75	1,003
Markets serving 20 - 49 farmers	201	5,786	133	3,925	125	3,605	97	2,856
Markets serving 50 - 99 farmers	59	3,753	37	2,411	37	2,337	37	2,435
Markets serving 100 - 500 farmers	31	4,507	24	3,366	20	2,690	16	2,124
Markets serving > 500 farmers	1	800	1	800	1	800	1	0
Markets serving unknown no. of farmers	19	0	12	0	13	0	9	0
Total	609	17,804	413	12,589	392	11,233	291	8,747

*Some respondents gave multiple answers depending on the season--more restrictions during season than off-season. These responses were recorded twice; therefore, totals do not compute.

WIC Nutrition Program

Although run by individual States, the common function of the Women, Infants, and Children (WIC) Farmers' Market Nutrition Program is to provide farmers' markets WIC coupons to purchase fresh fruit and vegetables. A total of 303 markets report they participate in the WIC farmers' market program (Table 10). The District of Columbia, 27 States, and 3 Indian tribal organizations currently participate in the program. Nationally, redemptions of WIC farmers' market coupons in 1994 totaled \$5,833,386. Redemptions in 1995 totaled \$9 million of combined state and federal dollars.

Table 10 - Women, Infant, and Children Farmers' Market Nutrition Program Participation				
Size of market, by number of farmers served	Participate in WIC		If not, will participate in future	
	Markets	Farmers	Markets	Farmers
Markets serving 10 - 20 farmers	93	1,218	26	332
Markets serving 1 -10 farmers	86	504	21	114
Markets serving 20 - 50 farmers	77	2,171	52	1,572
Markets serving 50 - 100 farmers	27	1,786	14	823
Markets serving 100 - 500 farmers	12	1,858	10	1,273
Markets serving > 500 farmers	1	800	0	0
Markets serving unknown no. of farmers	7	0	4	0
Total	303	8,337	127	4,114

Market Sales

Since most markets do not require farmers to report daily sales, more research is necessary to determine the total value of products sold directly through farmers' markets. Many States do not account for direct marketing sales in a separate category, but do report total farmsales. As previously cited, Dr. Edward McLaughlin of Cornell University estimates national sales of fruit and vegetables through all direct marketing channels at \$1.1 billion. Limited resources do not allow many State departments of agriculture to record direct sales; extension service estimates are the only source of information. Cornell University Cooperative Extension estimates direct sales in New York State at \$400 million. California officials estimate farmers' markets sales at approximately \$200 million (this is an estimate only for California farmers' markets, not all direct sales). The Pennsylvania Department of Agriculture estimates direct marketing sales at \$195 million. Extension personnel at Rutgers, the State University of New Jersey, estimate 1995 direct marketing sales in New Jersey at \$189 million. North Carolina estimates its 4 State-operated markets have sales of \$13.7 million, but there are approximately 76 other non-State-operated farmers' markets that compile no sales data. Massachusetts officials estimate their direct marketing sales at approximately \$85 million. Iowa, a State with comparatively low population, reports farmers' market sales at \$5.0-5.5 million. Although this is an amalgamation, these figures demonstrate that McLaughlin's national figure is reasonable.

Some data exist from site-specific studies that asked customers what they spent on a given day and then multiplied the figure by the estimated total number of customers. However, the results of these studies vary widely. The study in Madison, WI, found the average customer expenditure was \$10. However, a study conducted by the Wisconsin Department of Agriculture in cooperation with USDA's Agricultural Marketing Service, where customers were interviewed on 4 different days, reported customers spent an average of \$17.90 per visit. The average sales amount per customer visit can vary with the product mix at the market. Those markets with vendors selling mainly vegetables would likely have a lower average than those markets that allow value-added items such as cheeses, herbs, ornamentals, baked goods, and other prepared items. Questions in this survey cannot be used to compute data; customer visits were analyzed on a weekly basis, and sales were reported on an annual basis.

The market sales question in this survey had one of the lowest response rates (382), implying that many managers cannot estimate the dollar sales of their markets. Managers measure the success of their markets by their ability to attract and retain farmer and customer participation.

The small number responding reported sales of \$70,286,636 (Table 11). Except for the category containing >500 farmers served, between 48 and 55 percent of managers responded in each size category--a fairly even distribution. There is a large jump in sales from the 10-19 to the 20-49 farmers-served category, \$3.5 million to \$14.9 million. The inclusive category of 20 to 500 farmers served accounts for \$57,724,428 in sales, 76.4 percent of the total. This closely parallels the number of farmers participating, 76.2 percent; however, it is only 45.5 percent of the responding markets. The average sales per farmer show an upward trend in the 20-500 farmers-

served categories. Table 11 shows that farmers most probably would be attracted to the larger markets in order to generate sufficient income. It also indicates that more vendors will attract more customers than proportional to the size of market.

Table 11 - Estimated Total Sales per Year					
Size of market, by number of farmers served	Responses				
	Annual sales (\$)	Markets reporting	Farmers Served	Avg. sale per farmer in category	% farmers served in category
Markets serving 1 - 9 farmers	1,973,193	101	547	3,607	52.80
Markets serving 10 - 19 farmers	3,546,515	102	1,334	2,659	49.87
Markets serving 20 - 49 farmers	14,913,868	124	3,716	4,013	56.03
Markets serving 50 - 99 farmers	11,782,560	33	2,155	5,468	50.95
Markets serving 100 - 500 farmers	27,028,000	17	2,731	9,897	53.84
Markets serving > 500 farmers	7,000,000	1	800	8,750	100.00
Markets serving unknown no. of farmers	4,042,500	4	0	0	0.00
Total	70,286,636	382	11,283	6,229	55.05

Summary/Conclusion

Farmers' markets play a vital role in allowing small- to medium-sized growers to gain access to consumers. Without this access, many small farmers would not be able to sell their production and their farming existence could be threatened. Farmers' markets also provide consumers a unique experience--a pleasant shopping environment with the opportunity to meet the people who grow their food. Documented growth in farmers' markets over the last decade seems to indicate that this symbiotic relationship fills a marketing void. Some cities with centralized markets need to expand and/or open satellite facilities to increase capacity. Others have grown to the point that attracting enough farmers to meet consumer demand is a challenge. Yet, other markets, especially in the Midwest, have severely restrictive rules, due to space constraints, limiting the number of participating farmers. Although the market share of national fruit and vegetable sales for farmers' markets might never increase over its current single-digit percentage, the overall predicted growth in consumption of fresh fruit and vegetables will continue to encourage small- to medium-sized farmers to provide more product.

Farmers' markets can also provide more fresh agricultural products to inner-city residents, whose consumption of fresh fruit and vegetables is below the national average. The scarcity of supermarkets makes the inner city an important potential market for small- to medium-sized growers.

Table 12 shows that the three shaded market categories--20-49, 50-99, and 100-500 farmers served--represent only 45.5 percent of the responding markets. However, they account for 76.4 percent of total sales, 76.2 percent of total farmers served, and 80.9 percent of reported weekly customer visits. This group accounts for 64.9 percent of the total square feet of selling

space, although only 47.7 percent of selling space is under roof. It appears that as the size of the market increases, the market becomes more attractive to farmers from a wider geographic area, and the retail (customer) trading area also increases. Responses to individual questions in the survey are in brackets.

Table 12 - Composite Table					
Size of market, by number of farmers served	No. of Markets [772]	Customers per week [627]	No. of Farmers [772]	Annual sales per year [332]	Avg. sales per farmer [332]
Markets serving 1 - 9 farmers	184	67,590	1,036	1,973,193	3,607
Markets serving 10 - 19 farmers	206	76,158	2,691	3,546,515	2,659
Markets serving 20 - 49 farmers	232	278,665	6,632	14,913,868	4,013
Markets serving 50 - 99 farmers	67	304,701	4,230	11,782,560	5,468
Markets serving 100 - 500 farmers	35	157,850	5,107	27,028,000	9,897
Markets serving > 500 farmers	1	11,000	800	7,000,000	8,750
Markets serving unknown no. of farmers	47	19,810	0	4,042,500	0
Total	772	915,774	20,496	70,286,636	6,229

With the equal dispersion of different size markets operating throughout the week, it cannot be determined from this study if there is any one best operating day, although Saturday operations dominate in all categories. Most markets report they operate no more than 2 days per week. It cannot be determined from analysis of the questions asked, if operating days are limited by availability of space, availability of farmers, or ability to attract customers.

Farmers' markets make significant economic contributions to rural areas surrounding urban centers, as evidenced by annual sales of \$5 million in Madison, WI, \$20 million in the New York City Greenmarkets, and \$750,000 in Santa Fe, NM. Currently, most farmers' markets are formed on an ad hoc basis, relying on an available piece of land and the potential to attract customers.

Appendix

Wholesale and Alternative Market Program

The primary focus of the Wholesale and Alternative Market Program (W&AM) in USDA's Agricultural Marketing Service is assisting small- to medium-sized producers. Larger producers with greater production and access to capital can invest in new techniques to make products "market ready." Smaller producers do not have production volume needed to utilize advanced packing and sorting techniques and find it difficult to access mass markets. W&AM acts as a repository of information that enables State cooperators to conduct studies, research data, analyze information, and make recommendations for solutions to this ongoing problem. W&AM serves its customers in four basic ways:

- Supporting the small- and medium-sized producer;
- Assisting State and local governments in the decision-making process to enable them to increase farm income in rural areas;
- Conducting research to expand market potential for farmers' markets; and
- Analyzing potential delivery systems to allow consumers greater access to a variety of fresh fruit and vegetable specialty crops that might not be available in mass markets.

These activities are a vital link in the study of alternate distribution channels. W&AM provides technical assistance for planning facilities where smaller farmers can market their products wholesale, where possible, or directly to consumers. W&AM also conducts studies on methods of connecting the small- to medium-size growers directly with inner-city consumers.

W&AM is currently testing survey documents to determine what demographic variables will constitute a subset of "most likely users" of farmers' markets. Results of the tests, combined with specific site studies to further define the information gathered in this report, will enable W&AM to develop a data base that will assist States and localities in expanding existing markets and in planning future markets.

W&AM's future projects will include:

- Conducting a generalized, national survey every 2 years, measuring market and farmer activities;
- Tracking market development, developing consumer profiles of most likely users, and attempting to establish parameters that indicate a market's potential success;
- Collecting site-specific data, emphasizing consumer surveys to establish activities at individual markets, and developing a set of predictable variables that will accurately predict the potential of a market expansion; and
- Continuing efforts to estimate national sales figures for farmers' markets to more accurately measure their impact on small- to medium-sized farmers.

For more information on W&AM programs, contact U.S. Department of Agriculture, AMS, TMD, ATTN: Arthur F. Burns, W&AM Program Manager, Rm. 2642 South Building, P.O. Box 96456, Washington, DC 20090-6456; (202) 720-8317; FAX (202) 690-0031; e-mail Arthur_F_Burns@usda.gov.

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